

BOUND PRINTED MATTER TRANSPORTATION COST MODEL AND BULK PARCEL RETURN SERVICE COST MODEL

I. PREFACE

A. Purpose and Content

USPS-FY20-16 documents the Bound Printed Matter transportation cost estimates and the Bulk Parcel Return Service cost estimates.

B. Predecessor Document

The predecessor document for Bound Printed Matter was presented in Docket No. ACR2019, USPS-FY19-16.

The predecessor document for Bulk Parcel Return Service was presented in Docket No. ACR2019, USPS-FY19-16.

C. Corresponding Non-Public or Public Document

There is no non-public document that corresponds to USPS-FY20-16.

D. Methodology

The Bound Printed Matter transportation cost model relies on the same methodology presented in Docket No. ACR2019, USPS-FY19-16.

The Bulk Parcel Return Service cost model also relies on the same methodology presented in Docket No. ACR2019, USPS-FY19-16.

E. Inputs / Outputs

The Bound Printed Matter transportation cost estimates are calculated using the following inputs:

<u>Input Source</u>	<u>Input Description</u>
USPS-FY20-1	Bound Printed Matter pounds
USPS-FY20-24	Cost Segment 8 piggyback factor
USPS-FY20-32	Cost Segment 8 and 14 data Zone related percentages
USPS-FY20-36	Bound Printed Matter mail piece density

Docket No. R2000-1,
USPS-T-26, Attachment N

Percent of Intra-SCF highway and POV costs
avoided by DDU parcels

Docket No. R2000-1,
USPS-T-27, Attachment K

Average zone hauled

Docket No. R2000-1,
USPS-LR-I-109

Entry profile data
Zone distribution percentages

The Bound Printed Matter transportation cost estimates are relied upon to develop the discounts and passthrough values contained in USPS-FY20-3.

The Bulk Parcel Return Service cost estimates are calculated using the following inputs:

<u>Input Source</u>	<u>Input Description</u>
USPS-FY20-7	Volume variability factors Premium pay factors Wage rates
USPS-FY20-13	Transportation cost per pound estimates
USPS-FY20-15	Media Mail – Library Mail cost model results
USPS-FY20-23	MODS productivity data
USPS-FY20-25	Operations specific piggyback factors
USPS-FY08-15	Parcel processing assumptions
Docket No. R2001-1, USPS-LR-J-64	Parcel processing assumptions BPRS mailer data
Docket No. R2000-1, USPS-T-11	Base year CRA data
Docket No. R2000-1, USPS-T-21, Attachment 13	Base year piggyback factors
Docket No. R2000-1, USPS-T-26	1998 BPRS cubic feet per piece Transportation percentages
Docket No. R2000-1,	Base year wage rates

USPS-LR-I-11 Docket No. R97-1, USPS-LR-H-131	Arrival profile
Docket No. R97-1, USPS-LR-H-132	Productivity data Dispatch profile
Docket No. R97-1, USPS-LR-H-133	Container dimension data
Docket No. R84-1, Exhibit USPS-T-141	Pieces per container data
1982 CRA	1982 Special Standard cubic feet per piece

The Bulk Parcel Return Service cost estimates are relied upon to develop the discounts and passthrough values contained in USPS-FY20-3.

II. ORGANIZATION

The Bound Printed Matter aggregate, flats, and parcels transportation cost estimates are presented in the workbook 'USPS-FY20-16.BPM.xlsx' in the 'Cost-Sum' worksheets on pages 1, 8 and 15, respectively. Data sources are referenced in each worksheet throughout the workbook. The results are also reported in Table 1 below.

Table 1:
Bound Printed Matter Transportation Cost Estimates

Cost Element	Total Cost Per Pound	Flats Cost Per Pound	Parcels Cost Per Pound
DNDC			
Zone 1 and 2	\$0.0300	\$0.0284	\$0.0311
Zone 3	\$0.0535	\$0.0447	\$0.0601
Zone 4	\$0.0716	\$0.0572	\$0.0824
Zone 5	\$0.1390	\$0.1039	\$0.1653
DSCF	\$0.0213	\$0.0224	\$0.0205
DDU	\$0.0035	\$0.0037	\$0.0034
Non-Dropship			
Zone 1 and 2	\$0.0726	\$0.0685	\$0.0756
Zone 3	\$0.0784	\$0.0739	\$0.0817
Zone 4	\$0.0856	\$0.0806	\$0.0893
Zone 5	\$0.0972	\$0.0914	\$0.1016
Zone 6	\$0.1093	\$0.1025	\$0.1144
Zone 7	\$0.1230	\$0.1152	\$0.1288
Zone 8	\$0.1499	\$0.1401	\$0.1572

The Bulk Parcel Return Service cost estimates are presented in the Microsoft Excel workbook 'USPS-FY20-16.BPRS.xlsx' in the 'Cost-Sum' worksheet on page 1. Data sources are referenced in each worksheet throughout the workbook. The results are also reported in Table 2 below.

Table 2:
Bulk Parcel Return Service Cost Estimates

Task	Unit Costs
Collection	\$0.047
Mail Processing	\$1.716
Transportation	\$0.958
Delivery	\$0.146
Postage Due	\$0.073
Total Cost	\$2.939